



African Growth and Opportunity Act

United States Embassy in South Africa

AMERICA INVESTS IN SOUTH AFRICA

"No nation in our time has entered the fast track of development without first opening up its economy to world markets. The African Growth and Opportunity Act (AGOA) is a road map for how the United States and Africa can tap the power of markets to improve the lives of our citizens."

President George W. Bush,
October 29, 2001



WHY AGOA?

AGOA builds on existing U.S. programs to expand trade and investment between the United States and sub-Saharan African (SSA) countries to promote free markets, economic reform and growth.



WHAT IS AGOA?

- African Growth and Opportunity Act (AGOA) allows almost all products from South Africa and other eligible Sub-Saharan African countries to enter the U.S. duty free. It was signed into law on May 18, 2000.
- AGOA adds almost 1,800 products to the list of eligible duty free products. This brings the total duty free exports from sub-Saharan Africa to the US to almost 6,500 products.
- AGOA extends duty free access until September 30, 2008, therefore giving more protection and assurance to investors.

WHAT IS THE U.S. MISSION DOING?

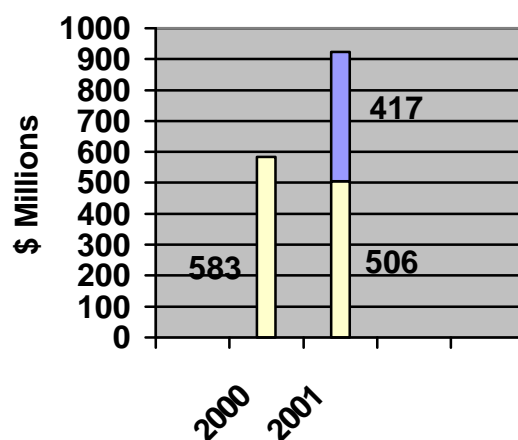
- We are working with the South African Government and South African business community to publicize AGOA. We hope that more exporters will take advantage of this program, thereby creating jobs for South Africans.
- We are encouraging U.S. investment in South Africa and fostering U.S.-SA joint ventures to manufacture products eligible for AGOA benefits. Often these partnerships will use American material or technology.



GROWTH IN SOUTH AFRICAN DUTY FREE EXPORTS

Exports under AGOA and GSP programs reached \$923 million (R9.2 billion) for the January to December 2001 period, an increase of 58% over the same period in 2000.

South African Duty Free Exports



□ GSP Exports ■ AGOA Eligible Exports

United States Embassy in South Africa

WHAT HAS HAPPENED?

- South African exports to the U.S. increased significantly during 2001 – total exports increased from \$4.20 billion to \$4.43 billion (R44.3 billion) - over 5.4 % in one year.
- Apparel exports increased 23% to \$173.4 million with \$31 million being exported under AGOA.
- Exports under AGOA made up 9.5% of total South African exports to the U.S. in 2001 and this figure is growing quickly.



WHAT'S NEXT?

The growth in exports to the U.S. now needs to be translated into sustainable job creation and general growth in South Africa. AGOA marks only the beginning of a new economic relationship between Africa and the United States. Through the expansion of cooperation, the United States could speed Africa's economic growth, and ultimately, its own growth too.



AGOA RELATED WEB SITES

Department of Commerce:

<http://www.agoa.gov>

Department of State – Bureau of African Affairs:

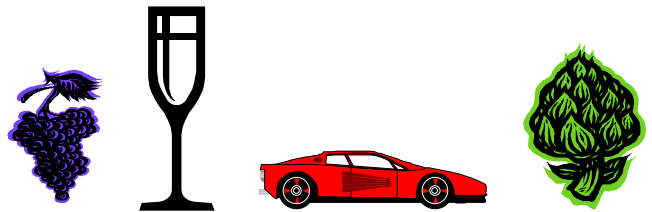
<http://www.state.gov/p/af/rt/agoa/2001/>

The US Trade Representative:

<http://www.ustr.gov/regions/africa/growth.shtml>

International Information Programs:

<http://www.uninfo.state.gov/regional/af/trade/homepage.htm>



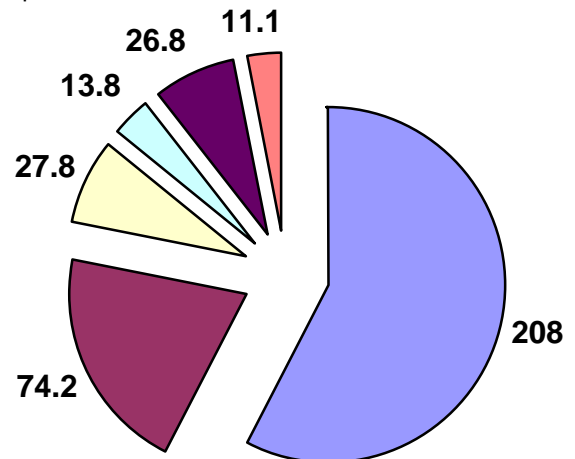
EXAMPLES OF SOUTH AFRICAN EXPORTS TO U.S. UNDER AGOA:

- Vehicles/Parts/Accessories
- Ferromanganese
- Apparel
- Edible Fruit and Nuts
- Beverages, Wine and Vinegar
- Artichokes (prepared and preserved)
- Fishing rods
- Ice cream
- Essential oils from lemons

MAJOR PRODUCTS EXPORTED TO THE U.S. UNDER AGOA

JANUARY TO NOVEMBER 2001

In \$ Millions



Issue Papers are released by the Public Affairs Office of the United States Embassy in South Africa

For further information contact the Public Affairs Officer, United States Embassy, PO Box 9536, Pretoria 0001
Tel: (+27 12) 342-3006 x2386; fax: (+27 12) 342-3092; Website: <http://usembassy.state.gov/southafrica>

03/2002